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TO RUEHC/SECSTATE WASHDC 4164
INFO RUEHCL/AMCONSUL CASABLANCA 1853
RUEHAS/AMEMBASSY ALGIERS 4052
RUEHTU/AMEMBASSY TUNIS 8940
RUEHNK/AMEMBASSY NOUAKCHOTT 3217
RUEHFR/AMEMBASSY PARIS 4266
RUEHRO/AMEMBASSY ROME 1472
RUEHMD/AMEMBASSY MADRID 5546
RUEHLO/AMEMBASSY LONDON 2999
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDO/DEPT OF COMMERCE WASHDC
RUEHC/DEPT OF LABOR WASHDC
RUEHRC/DEPT OF AGRICULTURE WASHDC
RUEAORC/USCBP WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RUEHLMC/MILLENNIUM CHALLENGE CORPORATION WASHINGTON DC
RHMFIUU/DEPT OF ENERGY WASHINGTON DC
RUEAEPA/HQ EPA WASHINGTON DC

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DEPT ALSO FOR EB/TPP, EB/IFD AND DRL/IL
STATE PASS USTR FOR DOUG BELL
STATE PASS USAID FOR JENNIFER RAGLAND
USDOC ITA/MAC/ANESA FOR NATE MASON
USDOC FOR FSC/OIO AND CLDP
USDOL FOR ILAB
PARIS FOR ZEYA
LONDON FOR TSOU
ROME FOR ROSE

E.O. 12958: N/A

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SUBJECT: MOROCCO ECONOMIC HIGHLIGHTS

More Trade with Maghreb Neighbors

1. Moroccan trade with its Arab Maghreb Union (AMU) partners - Algeria, Libya, Mauritania and Tunisia - reached \$686 million in 2005, nearly double the previous year but still only a fraction of Morocco's total trade. Moroccan imports from the AMU totaled \$550 million, up from \$330 million in 2004, while exports during the last three years have averaged \$130 million annually. Almost half of the imports were petroleum products. Moroccan trade with AMU countries amounts to only two percent of the country's foreign trade.

Privatization Proceeds

2. Twenty-five companies, seven of them Chinese, have shown interest in buying the state-owned Moroccan Tea and Sugar Company (Somathes). In May the Ministry of Finance launched a tender to cede the government's share of Somathes, setting a minimum bidding price of \$51 million. The deadline for bids is July 16. The sale of Somathes is part of a GOM privatization drive launched in the 1990s. Through the end of 2005, 70 entities (44 companies and 26 hotels) had been totally or partially sold off, earning the state around eight billion dollars. Eighty percent of the proceeds came from foreign investors - three quarters of them French.

On-Line Trading Hits the Casablanca Board

¶3. On-line trading was introduced into Morocco on June 14, making Morocco the only country in the Arab world to use such a system. Customers of www.DarTawfir.ma - which means "House of Saving" in Arabic - can manage their investment accounts on the Casablanca exchange in real-time without intermediaries.

More Low-Cost Flights to Morocco

¶4. Irish low-cost carrier Ryanair has signed a five-year agreement with the GOM after six months of negotiations, bringing more competition on flights between Europe and Morocco. The agreement includes a commitment by Ryanair to establish up to 20 routes, carrying one million passengers per year within three years. Ryanair's chief rival, British airline easyJet, will begin flights to Marrakech in July. Attracting low-cost airlines is part of the GOM's ambitious "Vision 2010" strategy to attract ten million tourists per year by 2010.

500,000 Year-old Human Remains Found in Casablanca

¶5. A human fossil remain of an upper premolar tooth has been discovered in a quarry site in Casablanca. The human fossil is associated with other remains dating back at least

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500,000 years, according to a statement by the Ministry of Culture. The same site had previously yielded a *Homo Erectus* lower jaw in 1969. The discovery was made by a Moroccan-French team composed of members of the Moroccan Institute of Science and Archaeology (INSAP) and France's Centre National de Recherche Scientifique (CNRS).

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